

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN ALLAN WALTERS**, on March 28, 2001 at 8:00 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Allan Walters, Chairman (R)
Rep. Debby Barrett, Vice Chairman (R)
Rep. Tom Dell, Vice Chairman (D)
Rep. Norma Bixby (D)
Rep. Dee Brown (R)
Rep. Donald L. Hedges (R)
Rep. Hal Jacobson (D)
Rep. Larry Jent (D)
Rep. Michelle Lee (D)
Rep. Larry Lehman (R)
Rep. Ralph Lenhart (D)
Rep. Alan Olson (R)
Rep. Holly Raser (D)
Rep. Rick Ripley (R)
Rep. Clarice Schrumpf (R)
Rep. Frank Smith (D)

Members Excused: Rep. Gay Ann Masolo (R)
Rep. Douglas Mood (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Ruthie Padilla, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 289, 3/22/2001; SJ 12,
3/22/2001
Executive Action: SB 289

HEARING ON SB 289

Sponsor: SENATOR JON TESTER, SD 45, BIG SANDY

Proponents: Roger Hagan, Airport Firefighters Association
Mike O'Connor, Montana Public Employees Retirement
Administration
Rick Silva, Airport Firefighters Association
James Dixon, Airport Firefighters Association
Douglas Bean, Airport Firefighters Association
Pat Clinch, Montan Council for Firefighters Union
Roger Larsen, Montana Air National Guard
Erick Gilbert, Airport Firefighters Association

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.0}

SENATOR JON TESTER, SD 45, BIG SANDY stated that the bill allows all new National Guard Firefighters that are hired are covered by the Firefighters Unified Retirement System. Currently, they are under PERS and new hires brought in are also put into PERS. If the bill passes, any new firefighters hired would go into the Firefighters Unified Retirement System which is the retirement system set up for firefighters and is a system they belong in.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 2.1}

Roger Hagan, Airport Firefighters Association submitted written testimony. **EXHIBIT**(sth70a01)

Mike O'Connor, Montana Public Employees Retirement Administration said the board would like to go on record as support the bill. The past legislative interim committee looked at the specific issue of professional firefighters in the Public Employees Retirement System. They had the policy saying these people should be in the Firefighters Unified Retirement System and with this bill as amended, it is a start in getting the people in the right retirement system. The biggest reason why these people should be

in the firefighters retirement system is the hazardous nature of their occupation. Under the PERS disability, they would get disability based on their years of service and under the firefighters retirement system they are automatically covered by 50% of their average salary and starts at day one.

Rick Silva, Airport Firefighters Association submitted written testimony. **EXHIBIT**(sth70a02)

James Dixon, Airport Firefighters Association submitted written testimony. **EXHIBIT**(sth70a03)

Douglas Bean, Airport Firefighters Association submitted written testimony. **EXHIBIT**(sth70a04)

Pat Clinch, Montan Council for Firefighters Union said one of the reasons they want to do this is because of the firefighters in the Great Falls airport. The PERS system does not meet the qualifications of firefighters or federal firefighters and feel this bill would be a start to cover all firefighters in the State of Montana who are currently under PERS.

Roger Larsen, Montana Air National Guard rose in support of the bill and said they guarantee the Federal money will be there. The federal special revenue for fiscal year 2002 will be \$1,499.00 and for fiscal year 2003 it will be \$4,157.00. He asked for the committees favorable consideration to pass the bill.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 27.6}

REPRESENTATIVE BROWN asked what is being done on a state level to encourage the ones who are in PERS to start saving money for the conversion into the firefighters system. Mike O'Connor said if the bill would have passed as introduced they would have been given the individuals options. The options would have been; one, to transfer all their service into the firefighters retirement system and pay the additional cost it would take to move their service. Two, they would have the option of leaving their past service in PERS and start with the new service in the firefighters retirement system. Third, they could take their

years of service from the PERS system and transfer it into the firefighters retirement system for less years of service.

REPRESENTATIVE BROWN clarified, firefighters would be able to retire at age 50 with ten years of service or at any age with 20 years of service where as the PERS system takes 30 years of service to retire. Mike O'Connor said that is correct.

REPRESENTATIVE BROWN stated the firefighters will then get almost double their benefit at that 20 years, however they would not be eligible for social security. Mike O'Connor replied under this they are not covered by social security, but what usually happens with those individuals is after their career as a firefighter, most of them are young enough to seek a second career and usually seek a second career that is covered under social security.

REPRESENTATIVE LEHMAN questioned how many members there were in the department. Roger Hagan replied the airport authority firefighters consist of 24 members and currently 22 are assigned and there are 2 vacancies. REPRESENTATIVE LEHMAN then asked during the time firefighters were paid by the federal government, were they eligible for any federal retirement programs. Roger Hagan said at the time those firefighters were terminated from federal employment, depending on age and years of service, they would have been eligible for either an immediate annuity if they met the right age criteria under federal rules or a severance pay package. REPRESENTATIVE LEHMAN asked if any of the current firefighters are under that severance package. Roger Hagan stated no.

REPRESENTATIVE RASER asked why this group of firefighters did not join the Firefighters Uniformed Retirement system when it began. Rick Silva said the reason is because in 1975 when the system was created they were federal firefighters and from that time on they were state employees but were not part of the Montana State Firefighters Council and were not able to join. They first became members of the council 11 years ago and started work on this 5 years ago. It took a lot of time to do all the necessary paperwork and research to be able to meet the legislature to get the bill passed. REPRESENTATIVE RASER asked if when they joined the council 11 years ago, did they consider at that time to try and do this. Rick Silva replied they did consider it, but were unable to because there was still a problem with the international Guard and the State of Montana as to what there actual role were. This issue was only resolved 6 years ago and

it was then they began working on getting into the FURS
retirement.

REPRESENTATIVE HEDGES commented, it was his understanding it would take 25 years to get all the firefighters transferred over into the FURS system. He then asked if there has been any kind of negotiation with the federal government to see if they would be willing to pick up the state's general share of transferring the individuals so it can be done in a more timely manner. Mike O'Connor said the first step in trying to get all the firefighters into the FURS system was this bill.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 8.1}

SENATOR TESTER reminded the committee that the fire insurance premium tax goes into the general fund and are still collection those taxes to pay for this system.

HEARING ON SJ 12

Sponsor: SENATOR THOMAS BECK, SD 28, DEER LODGE

Proponents: Arnie Olsen, Montana Historical Society
Bill Bayless, Department of Administration
General Services
Mike O'Connor, National Director of the Ancient
Order of Hibernians

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 9.4}

SENATOR THOMAS BECK, SD 28, DEER LODGE said he was chairman of the Capital Complex Advisory Council last interim and is now here with this resolution. The resolution simply says there are certain items they want to have located in the capital to the capital for its' historic preservation. He submitted an amendment to the bill. **EXHIBIT**(sth70a05)

Proponents' Testimony:

{Tape : 1; Side : B; Approx. Time Counter : 10.7}

Arnie Olsen, Montana Historical Society submitted written testimony. **EXHIBIT**(sth70a06)

Bill Bayless, Department of Administration, General Services said they were also part of the Capitol Complex Advisory Council and rise in support of the council. The council was established two sessions ago and one of the first things looked at was a list of items that were in storage and had been for some time. They established a short list of items they felt needed to be addressed and put back in the capitol. He then gave some example of items they felt were historical and needed to be placed somewhere in the capitol forever.

Mike O'Connor, National Director of the Ancient Order of Hibernians said they are a group of 100,000 members strong and are in support of the bill as amended to include General Thomas Francis Mahar on the list.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 19.2}

REPRESENTATIVE DELL asked Mike O'Connor to give the committee a background on Thomas Francis Mahar so when they pass by his statue they know the history. Mike O'Connor said he was an Irish Patriot who stood up for his country in Ireland and for doing that he was sent to Tasmania along with 9 Irish people. Of those, he was one of nine who were eventually Prime Ministers, Attorney Generals or had very good careers once they got out of imprisonment. During the Civil War, Mahar came to the United States and was a Civil War hero. He was a Commander and a General in the Civil War and for his bravery in the Civil War, the President appointed him Territorial Governor of Montana. During his short time in Montana, he was not well liked because he stood up for the things he wanted and a lot of people did not appreciate that.

REPRESENTATIVE LEE said she had talked about an amendment that would add the plaque of the women who served in the legislature and asked SENATOR BECK if he was amenable to it. SENATOR BECK said yes.

REPRESENTATIVE BARRETT asked if there were any plans for items being place outside on the ground of the capitol as well. SENATOR BECK said yes, there have been bricks sold and other memorabilia.

REPRESENTATIVE LEHMAN asked if the committee is planning to have displays or statues on various floors of the capitol and not just the main floor. Arnie Olsen yes, some are on various floors of the capitol and said some will be permanent.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 30.6}

SENATOR BECK asked the committee to put the amendment in the bill and consider the amendment that REPRESENTATIVE LEE spoke of and to leave a little bit of authority to the Capitol Complex Committee for the historical preservation of the capitol.

EXECUTIVE ACTION ON SJR 12

{Tape : 2; Side : A; Approx. Time Counter : 0.0}

Motion: REP. SMITH moved that SJR 12 BE CONCURRED IN.

Motion/Vote: REP. HEDGES moved that SJR 12 BE AMENDED. Motion carried unanimously. 18-0

Motion: REP. LEE moved that SJR 12 BE CONCEPTUALLY AMENDED.

Discussion:

REPRESENTATIVE LEE said the amendment would add a plaque commemorating service of Montana women in the Montana State Legislature.

REPRESENTATIVE RASER asked if there is currently a plaque.

REPRESENTATIVE LEE said yes, it use to sit on the second floor as you come up the stairs. It was updated after each session and had everybody on it. To her personally, it was an amazing plaque because it is an important part about history and the role women have played in the State Legislature.

REPRESENTATIVE OLSON said he understands the concerns, but if it is an existing plaque it would be covered under number 5 of the bill. REPRESENTATIVE LEE replied it may very well be covered, but she feels very strongly about this and feels the plaque should be returned immediately if not sooner.

REPRESENTATIVE HEDGES said he would rise in opposition on the amendment. There have been many people of many races and creed and certainly not gender specific, that have made significant contributions. To pick out one class of people and permanently put them on the wall is not being fair.

REPRESENTATIVE LEE clarified she had spoken to SENATOR BECK about the amendment and he had no problem with it. She then stated this is not about human rights, it is about the contribution of a lot of women and feels it should be a permanent part of the capital to honor it.

CHAIRMAN WALTERS asked if there is a similar plaque for men. REPRESENTATIVE SMITH replied there use to be, but he was unaware of where it is at.

Motion/Vote: REP. LEE moved that SJR 12 BE CONCEPTUALLY AMENDED. Motion carried 11-7 with Hedges, Jent, Lehman, Masolo, Ripley, Smith, and Walters voting no.

Motion/Vote: REP. LEE moved that SJR 12 BE CONCURRED IN AS AMENDED. Motion carried unanimously. 18-0

EXECUTIVE ACTION ON SB 289

{Tape : 2; Side : A; Approx. Time Counter : 7.4}

HOUSE COMMITTEE ON STATE ADMINISTRATION

March 28, 2001

PAGE 10 of 12

Motion: REP. DELL moved that SB 289 BE CONCURRED IN.

Discussion:

REPRESENTATIVE SMITH felt it was a good time to go forward with the bill.

REPRESENTATIVE DELL pointed out that this bill is just a process of getting professional firefighters in the appropriate retirement system. He recommended a do pass on the bill.

REPRESENTATIVE LEHMAN told the committee he has seen this particular group of firefighters in action on more than one occasion. They are probably the most efficient firefighting unit that will ever be seen.

Motion/Vote: REP. DELL moved that SB 289 BE CONCURRED IN. Motion carried unanimously. 18-0

ADJOURNMENT

Adjournment: 9:45 A.M.

REP. ALLAN WALTERS, Chairman

RUTHIE PADILLA, Secretary

AW/RP

EXHIBIT (sth70aad)